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SUBJECT: WAR IN IRAQ; IRAN; AMIA BOMBING CASE; AFTERMATH OF US
LEGISLATIVE ELECTIONS; AMBASSADOR WAYNE; US TRAINING PROGRAMS FOR
LATIN AMERICAN MILITARY; US DEFENSE REFORM INVOLVING LATIN AMERICA;
11/13/06

1. SUMMARY STATEMENT

Key international stories during the weekend and today include the status of the war in Iraq and the USG's alleged withdrawal plans; the reasons pointed out by the media for the Republicans' defeat in US legislative elections; the Argentine judicial decision on the AMIA bombing case; the US training programs for Latin American military; and an alleged US Defense reform involving Latin America.

Local dailies widely report on US Ambassador Earl Anthony Wayne's active schedule in Buenos Aires.

Daily-of-record "La Nacion" reports on the DVC with US Ambassador to the IAEA Gregory Schulte on the Iran nuclear issue.

2. OPINION PIECES

- "A gradual withdrawal from Iraq will be discussed"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (11/12) "According to sources from the Pentagon, Congress and White House, the US is preparing a profound overhaul of its military and diplomatic strategy in Iraq and the Middle East, which will include even contradictory options that have been dismissed by the Bush administration so far.

"The plans that are being analyzed entail a change in the areas in which troops are deployed (including Baghdad and other cities or regions where there are clashes due to sectarian violence), gradual withdrawal and increasing pressure on the new Iraqi government so that it guarantees the safety of the people with its own forces.

"According to sources, the plan could also leave behind the diplomatic 'vacuum' that has prevailed between the US and Iran since Bush took office, and could include a call for a regional summit along with other central players in the area to discuss and perhaps agree on how to cooperate on the future of Iraq."

- "According to Otto Reich, 'war was not a mistake'"

Mariano Zucchi, columnist of leading "Clarín," writes (11/10) "The controversial Cuban-American Otto Reich, former US Assistant Secretary for Hemispheric Affairs, told 'Clarín' that the

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resignation of the head of the Pentagon, Donald Rumsfeld, does not imply an acknowledgement of mistakes in the US military strategy in the invasion of Iraq. Loyal to his conservative position, Reich said that 'what citizens did not like were the measures implemented

during the reconstruction of Iraq, but the war was not a mistake.'

"According to Reich, the main reason for the defeat of Republicans was not having focused on the economic growth of the country.'

"... Lastly, regarding the Bush administration's next two years with Congress in the hands of the opposition, Reich warned that 'there could be total paralysis if Democrats decide to hinder the Executive branch. Everything depends on the level of cooperation.'"

- "'The objective with Iran is a diplomatic solution'"

Pablo Gaggero, columnist of daily-of-record "La Nacion," writes (11/10) "US Ambassador to the IAEA Gregory Schulte warned that 'the purpose in the conflict with Iran over its nuclear program is achieving a diplomatic solution,' now that the US is beginning to increase its pressure on the international community to impose sanctions on Tehran.

"Schulte said that 'if we continue like now, the Iranian government will face isolation and sanctions or it can opt for cooperation, which will bring it benefits, including the peaceful use of its nuclear energy.'

"During a DVC at the US Embassy in Buenos Aires, the USG official... was cautious. 'We know that Iran will not have the weapon next year. Fortunately, we have time for diplomacy. We gave it time to hold serious negotiations, but it has not done so thus far. Iran is determined to obtain nuclear technology.'

"... Consulted on the purposes of Israel's nuclear program, Schulte said: 'I am not in a position to speak about the Israeli nuclear program. Right now, the obstacle to peace is Iran's aggressive program.'

"Before ending the program, Schulte showed a conciliating attitude and highlighted Argentina's work at the IAEA. 'We are all interested in maintaining peace and preventing nuclear weapons from

falling into the wrong hands. Iran's ambitions are against those purposes. This is why Argentina and the US should continue working together to attain a diplomatic solution.'"

- "Scandals and corruption, the key points of defeat"

Gustavo Sierra, international columnist of leading "Clarín," writes (11/12) "... The 'neo-conservatives' era is over and also that of the imperial presidency.

"... Among the reasons for discontent we can include the initiatives trying to ban homosexual marriage or cuts in funding for cell research and tax reductions for the wealthy. In the same direction, hurricane Katrina also affected the White House.

"... Above all, Iraq. The war was 'sold' to the citizenry by US President Bush amid a climate in which fear prevailed due to the September 11 attacks. Neo-conservatives wanted to 'transform' the Middle East and Central Asia by imposing democracies allegedly inspired in the 'success' of removing the Hussein regime. The outcome of this war, three years later is 650,000 dead Iraqis and a civil war with 140,000 US soldiers as spectators. Voters no longer tolerated it. Fear of new criminal attacks that Bush wanted to use during the last days of his campaign, did not work. 57 percent of the electorate is against the war.

"The neo-conservative revolution, the messianic view of the most conservative sectors of the US society is coming to an end. And Bush is just the last one of its unfortunate members."

- "Plan B"

Santiago O'Donnell, international columnist of left-of-center "Página 12," writes (11/12) "Before US legislative elections, Bush had a plan for the war in Iraq and Democrats had no plan at all. After elections, Bush showed his Plan B, and Democrats continue without a plan. They only ask for 'changes' and 'results' in Iraq.

But they do not go beyond that.

"What is Bush's new plan? The appointment of Robert Gates as the new Secretary of Defense to replace Donald Rumsfeld has marked the White

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House's return to 'pragmatic' hawks, more identified with Bush senior. It has also marked a retreat for 'ideological' hawks, closer to Ronald Reagan.

"In practical terms, the replacement means abandoning the idea of 'exporting democracy' to the Middle East in order to prioritize the 'stabilization of Iraq.' More training programs, less military operations. More advisors, less combatants. Pressuring the Shiite government to share oil royalties with the Sunni minority. Making the Iraqi army grow in order to make up for a gradual and silent withdrawal."

- "The White House says 'We applaud the Argentine judicial system'"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (11/12) "The White House applauded yesterday the decision made by the Argentine judicial system to order the international arrest of former Iranian President Ali Akbar Hachemi Rafsanjani and other former Iranian government officials that have been charged with the 1994 bombing against the AMIA.

"The White House's spokesperson, Tony Snow, said: 'We applaud the Argentine judicial system for its tenacious search for justice against those who committed this terrible criminal attack, and we are ready to cooperate with the Argentine legal process in any way whatsoever.'

"The US called 'all governments to support the Argentine government, condemn this kind of violent acts, and work with the community of countries that have been affected to fight terrorists, those who finance, support, harbor and encourage them.'"

- "'There is too much pressure on the Argentine Government to accuse Iran'"

Paz Rodriguez Niell, political columnist of daily-of-record "La Nación," writes (11/11) "While the Argentine judiciary blamed Iran for the worst criminal attack launched against the country, Iran defended itself and said that the accusation is one more sign of a phenomenon that the US is spreading all over the world - the Iran-phobia.

"In his position as charge d'affairs, Mohsen Baharvand has served for the last four years as the highest authority of the Tehran's

mission in Buenos Aires. Yesterday, he received 'La Nación' and criticized the judicial decision ordering the capture of nine former Iranian government officials.

"... Asked why he believes Iran is blamed, Baharvand said: 'There is a lot of pressure on the Argentine Government for it to do what it is doing against our country.' 'With all my respect for the Argentine Government, we are a scapegoat. I would like Argentines to think for themselves and avoid being used as problems among Iran, Israel and the US.'"

- "Wayne, a new player in the economic scenario"

Marcelo Bonelli, economic columnist of leading "Clarín," writes (11/10) "Earl Wayne, the new US Ambassador, confirmed the economic profile his task will have. Yesterday, he held a private and crucial meeting with the main heads of multinational corporations. Today, or on Monday at the latest, he will have another meeting that will mark the beginning of his work in the country - he will hold a private meeting with Economy Minister Felisa Miceli.

"Additionally, the Embassy has already organized a meeting with a select group of economists. Wayne wants to listen to Pablo Guidotti, Daniel Marx, Roberto Lavagna, Miguel Broda and Carlos Melconian.

"(Ambassador) Wayne's background has a clear economic profile and he wants to know as soon as possible whether the recovery of the country will be sustainable and whether its growth will continue in the next years. He wants to define an immediate strategy - whether Washington will accompany Argentine (economic) growth or start setting limits on the Kirchner administration.

"Yesterday, the 'top brass' of multinational corporations used their meeting with Wayne to make strong objections to the Government. During an informal meeting, businessmen said what they avoid saying in public. Led by Juan Bruchou, they criticized price controls and expressed fears about the lack of a safe energy balance...

"... They also said that there are members of the government who have an anti-business and anti-multinational corporation position.

"Wayne responded with an excellent knowledge of the Argentine reality. He used to be a key interlocutor at the US State Department during the 2001 economic debacle. The diplomat listened to the somewhat alarmist view of businessmen, downplayed it and praised the strong economic recovery of the country. Experts predict a positive horizon for 2007 and even for 2008.

"Wayne put an end to the encounter by committing himself to immediately speaking with (Economy Minister) Felisa Miceli and conveying the prevailing malaise among US corporations."

- "Wayne to help boost investment and trade"

Liberal, English-language "Buenos Aires Herald" (11/10) "The US Ambassador to Argentina Earl Anthony Wayne held his first meeting with the American Chamber of Commerce in Argentina yesterday. According to AmCham president Juan Brouchou, the message given by the US business leaders working in Argentina who attended the lunch was the 'great potential that Argentina has after its economic recovery' and that the Embassy and the AmCham 'will work together to promote investments and bilateral trade between both countries.'"

- "Strong US support for Argentina's economy"

Business-financial, center-right "InfoBae" reports (11/10) "US Ambassador Earl Wayne called the representatives of US corporations in Argentina to 'work together' in the framework of the 'big potentiality of the current status of local economy.'"

"... According to the Embassy's press release, 'the (US) Ambassador noted that the US corporations have played an important role in the rapid recovery of the economy of the country.'"

- "Wayne called US companies to invest in the country"

Conservative "La Prensa" (11/10) said: "During his first formal meeting with US businessmen since his arrival on Sunday, Wayne said that 'he is willing to learn about Argentina and listen to Argentines.'"

- "The US will boost investment in the country"

Daily-of-record "La Nacion" reports (11/10) "The new US Ambassador to the country, Earl Anthony Wayne, committed yesterday to working

alongside the AmCham in developing bilateral trade between the US and Argentina and boosting U S investment in the country."

- "US businessmen express claims and praise (of the Argentine Government) of the new Ambassador"

Leading "Clarín" reports (11/10) "Since he arrived, Earl Wayne seems not to have had any break. The new US Ambassador had lunch yesterday with the representatives of the main US corporations in the country. They expressed their concern about the country's price policy and the consequences of a possible energy crisis on production.

"... Wayne agreed with businessmen in emphasizing the good performance of the Argentine economy following the 2001/02 meltdown. And he emphasized that US corporations 'have played an important

role in the fast recovery of the economy.' He also pointed out that he is willing to learn about Argentina and listen to Argentines.'

"... US businessmen also conveyed their concern about what they label (the country's) 'weak IPR legislation'...

"... About George W. Bush's election defeat and the new scenario ahead, Wayne asserted that the crisis will not have any impact on Argentina."

- "The new US ambassador made a public appearance and distributed caps"

Leading "Clarín" reports (11/11) "Earl Anthony Wayne decided to make his first public appearance at the School of Law, National University of Buenos Aires, in front of hundreds of youth who participated in a Model UN encounter.

"There, the US Ambassador, who presented his credentials to the Argentine Foreign Ministry last Monday, spoke exclusively of the multilateral organization although several journalists wanted to obtain some lines on his political future in Argentina.

"... He nicely avoided making comments on the recent judicial decisions on the AMIA bombing case.

"On Tuesday, Wayne will hold his first official meeting with (Economy) Minister Felisa Miceli... According to what Economy sources told official wire service Telam, their meeting will have an 'open agenda,' which will include the discussion of the most important economic issues of the bilateral relationship.

"... Ambassador Wayne entered the gigantic building of the School of Law and spent almost an hour handing out caps with the US flag on them to youth specially selected for the event."

- "The Ambassador's life is a tough one"

Left-of-center "Página 12" reports (11/11) "With an enviable serenity, the new US Ambassador to Argentina avoided answering questions from the media while he was greeting the children who were going to represent their country in a mock UN General Assembly at the School of Law.

"Earl Anthony Wayne only said 'I have just arrived,' when he was consulted whether he had plans to meet with Nestor Kirchner.

"The Ambassador admitted that 'it is not easy to represent the US in these circles.'

"... Wayne read the following words with a strong accent: 'I am delighted to be here. My impression is that everyone is committed to and enthusiastic about peace, security, freedom and human rights. We have to support the UN in its struggle against terrorism and WMD. It is one of the most important institutions although it cannot solve everything.' After praising the work made by Argentine troops in Haiti, the US Ambassador highlighted that 'reinforcing democracy is a fundamental task.'"

- "US praise"

Conservative "La Prensa" reports (11/11) "US Ambassador Earl Wayne said last night that the White House has 'closely' worked with Argentina during the last two years at the UN Security Council, and he emphasized the 'exemplary behavior' of national peace forces in Haiti.

"During the opening ceremony of an encounter at the School of Law, National University of Buenos Aires, he asserted that 'during the last two years, the US has closely worked with Argentina as a non

permanent member of the UN Security Council in peacekeeping efforts, the UN reform and Iran's nuclear issue.'"

- "Ambassador Wayne will attempt to come to terms with Felisa Miceli"

Centrist newspaper "Perfil" (11/12) reports "The new US Ambassador to Argentina, Anthony Wayne, will hold his second meeting with a high-ranking Argentine Government official. This time, Wayne will meet with Economy Minister Felisa Miceli."

"He had first met with FM Jorge Taiana, who was satisfied with the meeting. However, Ambassador Wayne's encounter with Miceli is expected to be more complex. They will hold discussions about US investment in the country (bearing in mind that judicial security is a most important issue for Washington) and about the GSP review... Wayne will also delve into economic forecasts and price control policies, which the US Department of Treasury sees with distrust."

"Last Friday, Wayne had his first public encounter at the School of Law, National University of Buenos Aires, with hundreds of youth from all provinces... During his speech to the youth..., Wayne praised Argentina's participation in peacekeeping forces in Haiti. He also underscored that the US has 'closely' worked with Argentina in the UN reform and Iran's nuclear issue."

- "Miceli will receive ambassadors and bankers"

Business-financial "El Cronista" reports (11/13) "Economy Minister Felisa Miceli will receive the new US Ambassador to Argentina, Earl Wayne. They will analyze bilateral economic issues."

"Economy Ministry sources said that the guidelines for future meetings will be established in this meeting in addition to a review of the current commercial relationship between the two countries."

- "Miceli and Wayne will meet to discuss investments"

Business-financial, center-right "InfoBae" reports (11/13) "Tomorrow, Economy Minister Felisa Miceli will receive the US Ambassador to the country, Earl Anthony Wayne, to analyze several economic issues including the US investment in the country."

"... The Bush administration's representative is a long-standing, 30-year diplomat at the US State Department with a broad background in handling economic issues."

"Wayne intends to determine whether the country's economic growth will be sustainable, and Miceli wants to present him with the pillars of the economic plan and prospects for 2007."

- "Miceli will receive the US Ambassador on Tuesday"

Daily-of-record "La Nacion's" "Economy and Business" supplement (11/11) "(Argentine) Economy Minister Felisa Miceli will receive US Ambassador Earl Anthony Wayne on Tuesday to analyze several economic issues."

"It will be the second meeting they will hold. The day before yesterday, Ambassador Wayne committed himself to working alongside the American Chamber of Commerce in Argentina in developing bilateral trade between the two countries."

- "The US could again train Latin American military"

Ana Baron, Washington-Based correspondent for leading "Clarín," writes (11/11) "Five days before elections, US President George W. Bush had ordered the resumption of 'military cooperation and training' for Latin American countries, which had lost it for not having granted immunity to US troops at the International Criminal Court."

"The USA Today front-paged this news. The writer of the article, Barbara Slavin, said that the measure was adopted by US Secretary of State Condoleezza Rice to counter-balance the progress made by the left wing in our region, although not everyone agrees with this interpretation."

"According to Slavin, 'the USG expects that the military training will reinforce US ties with the countries of the region and counterbalance the tilt to the left.' She recalls that Daniel Ortega, 'an enemy of the US in the region during the '80s,' was elected president of Nicaragua and that Evo Morales, 'another

leftist,' was elected in Bolivia last year.

"Another interpretation is that the decision was made under the pressure of the Southern Command, whose leaders said that the US had abandoned the allied militaries of the region and that the vacuum was filled by countries like China.

"... Nevertheless, Michael Shifter, one of the experts from the Inter American Dialogue, explained that he did not believe the interpretation of the paper is absolutely correct. He explained that the decision to suspend cooperation and training was made due to the pressures in 2002 from current US Ambassador to the UN John Bolton. However, 'Condoleezza never agreed with it. She thinks that without training in the region, the US will lose influence...' Bolton is a tough neo-conservative while Rice is much more moderate and pro-diplomacy."

- "A reform under analysis in Washington raises concern"

Natasha Niebieskikwiat, political columnist of leading "Clarín," writes (11/11) "The fact that the US is now focusing on Iraq does not mean at by any means that it is neglecting its plans for the region. On the contrary, there is a little known defense reform initiative that raised concern among our countries. A group of Southern countries, among them Argentina, have asked for clarification from Washington.

"According to this initiative..., the current US Defense Department's Hemispheric Issues Division (this is the office that deals with military issues regarding our countries) could be closed, and everything related to those sensitive issues could be dealt with as 'domestic issues.' In concrete, reportedly, they could be referred to the Office of Homeland Security. In other words, for the US, those regional issues will not be dealt with as a foreign affair but a domestic issue...

"The topic was raised by Argentine defense Minister Nilda Garre during the Eighth Defense Ministerial Conference of the Americas, which was held in Managua in early October. During this summit, Garre asked about this initiative to the then US Assistant Secretary for International Relations at the US Department of Defense, Peter Rodman. The issue raised immediate concern among Brazilian, Uruguayan and Chilean ministers...

"... Another controversial subject in the summit was the long-standing US plan to re-design regional armies and turn them into almost police forces with the purpose of fighting domestic crimes like narco-trafficking, terrorism or criminal gangs. The US and Colombia agreed on this point... Argentina does not believe that we should equate defense and security issues, and it seeks to restrict military power to its own field."

13. EDITORIALS

- "Bush's most severe defeat"

Leading "Clarín" editorializes (11/10) "The outcome of the US legislative elections is US President Bush's most serious defeat since he took over.

"... In this way, the US foreign policy has again had a high impact on the electorate's decision and on the US domestic politics, which is seeking another strategic orientation.

"... This does not mean that we should expect major changes in the US domestic and foreign policy. However, a new domestic political scenario is appearing, with a president that will have to lead the country with an opposed Congress and an openly critical public opinion during the last two years of his term in office..."

- "Bush had a tough defeat in elections"

An editorial in daily-of-record "La Nación" reads (11/12) "... Americans clearly voted in favor of setting limits on George W. Bush's concentration of power.

"... The general dissatisfaction about his handling of the situation in Iraq... added itself to the concern raised by episodes such as those in Guantanamo, which contradict the traditional US respect for civil rights and liberties. To this, one should add the slow reaction to the tragedy unleashed by hurricane Katrina...

"As if all this were not enough, the lamentable project to build a fence on the US-Mexican border made that 73 percent of the Hispanic vote was channeled toward Democratic candidates...

"Democrats have taken advantage of this unbetterable opportunity...

"One should not expect, though, radical changes but much more dialogue and perhaps some friction particularly regarding Iraq, which is a very complex problem that the US still has to solve... Bush has called some 'realistic' advisors that have given advice to his father...

"Foreign policy will probably be corrected and the threat of the use of force will probably be replaced by the most traditional forms of diplomacy - dialogue and negotiation. Condoleezza Rice, who has acted in neo-conservative framework up to now, comes from a 'realistic' entourage.

"For Argentina, this will open a new question mark, following some tense moments in its bilateral relationship with the US. However, our image does not seem to be negative for the Bush administration, probably due to the country's efficient cooperation in the struggle against terrorism. The protectionist-styled speeches of many Democratic candidates imply an omen of a complicated future for trade freedom and even more for the reversal of the agricultural protectionism that has been imposed by developed countries and that has inflicted so much damage to us."

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WAYNE